

TAX PREPARATION CHECKLIST – TAX YEAR 2024

It is necessary to provide the office with the **ACTUAL** documentation (W-2s, 1099s, 1098s, etc.) you and all household members receive. **The IRS receives copies of the same documentation and computer matches the numbers with the amounts reported on your tax return.** Information reported to the IRS is mailed to the taxpayer in envelopes clearly marked "Important Tax Documents Enclosed." Please use the checklist as a reference to assemble your documentation.

INCOME

- ✓ **Salary and Wage Income**
 - W-2s (bring all copies plus year-end paystub)
 - Tip Income (not reported to employer)
 - Self-employment (1099-NEC, 1099-K, cash) *including Uber, DoorDash, eBay, FB Marketplace*
- ✓ **Interest/Dividends**
 - 1099-INT (checking/saving accounts, CDs, brokerage)
 - 1099-DIV (Mutual Funds & Stocks plus year-end statements)
- ✓ **Additional Income**
 - 1099-DA for Digital Assets (virtual currency) received as reward, award, or compensation
 - Disability Income (insurance or worker's compensation) (1099-R, W-2)
 - Unemployment Compensation (1099-G)
 - Refund of state or local income tax (1099-G)
 - Rental Income (gain/loss)
 - Short-term Rental (Airbnb, VRBO, HomeAway)
- ✓ **Retirement Income**
 - Social Security Income (SSA-1099)
 - IRAs, Pensions and Annuities (1099-R, RRB-1099)
- ✓ **Investments**
 - 1099-B (Stocks, Bonds, Real Estate Sold (gain/loss) plus Confirmation Slips. (Need date acquired/sold, original cost, sale price)
 - Schedule K1: Partnership, Trust, Estate Income
- Scholarships & Grants (1098-T, W-2)
- Gambling & Lottery Winnings (W-2G), Fantasy Sports League, Prizes & Awards
- Jury Duty, Election Worker Pay
- Cancellation of Debt (1099-C, 1099-A)
- 1099-K (PayPal, Venmo, eBay, 3rd party merchant service provider)

EXPENSES

- ✓ **Interest Expense**
 - Mortgage Interest (1098)
 - Student Loan Interest (1098-E)
- ✓ **Child & Other Dependent Care Expenses**
 - Name and Address of each care provider
 - Caregiver(s) Federal EIN or SSN
 - Amount paid per dependent
- ✓ **Taxes Paid**
 - Real Estate Taxes (School, County & Municipal)
 - Estimated Taxes Paid (Federal, State and/or Local including date and amount paid)
 - For PA Property Tax Rebate – **STAMPED PAID** and dated receipts tax bills **REQUIRED**
- ✓ **College or Post-secondary Education Expenses**
 - 1098-T (tuition)
 - 1099-Q (529 plan distribution)
 - Receipts for course materials and textbooks
 - Financial Transcript from the Institution – must show amount of tuition and fees paid for calendar year ending 2024. A student can access the transcript from their online bursar account.
 - Previous recipient of AOTC for how many years?
- ✓ **Educator Expenses:** supplies used as an eligible educator (teacher, teacher's aide, counselor). *Home school expenses do not qualify.* Must have receipts: record keeping is the taxpayer's responsibility.
- ✓ **Medical & Dental Expenses**
 - Expense total must exceed 7.5% of AGI to be claimed.**
 - Applies as an itemized deduction; expenses might include medical insurance premiums (paid by you), prescription drugs, insulin, eyeglasses/contacts, hearing aids & batteries, doctor/dental/orthodontist, lab fees, medical equip & supplies, nursing care, medical therapy, and long-term care insurance premiums.
- ✓ **Charitable Contributions**
 - Record keeping is the taxpayer's responsibility to claim cash and non-cash contributions.
 - For cash contributions less than \$250.00, keep canceled checks or credit card statements. Cash contributions over \$250.00 require an acknowledgement of your contribution from the qualified organization or paystub/W-2 for payroll deductions.
 - For non-cash contributions of less than \$250.00, keep receipts showing the charity's name, location, date, and reasonable description of property donated. Non-cash contributions over \$250.00 require that you must have and retain an acknowledgment of your contribution from the qualified organization.
- ✓ **Unreimbursed Employment Expenses: STATE & LOCAL**
 - Includes union or professional dues; licenses, tools, safety gear, uniforms, tuition, travel and mileage (if not reimbursed for exact amount). Record keeping is the taxpayer's responsibility. Estimates are not allowed.

OTHER DEDUCTIONS AND INFORMATION

- ✓ **Health Savings Account (HSA)**
 - Contributions to HSA (5498-SA)
 - Distributions from HSA (1099-SA). Distributions must be for qualified medical expenses.
- ✓ **529 Plans**
 - Contributions to a 529 Plan for PA State deduction
 - Distributions from a 529 Plan (1099-Q) if used for public, private, or religious elementary or secondary school.
- ✓ **Contributions to a Retirement Account (Traditional IRA or Roth IRA)**
 - Must have earned income to contribute.
 - Maximum age restriction eliminated.
- ✓ **PA PROPERTY TAX & RENT REBATE APPLICATION**
 - Property Tax Rebate: STAMPED PAID & DATED real estate tax bills: school, county and township/borough.
 - Rent Rebate: monthly rent amount paid
- ✓ **Real Estate Sales and Purchases:** 1099-S, Closing Disclosure, Settlement Sheet, Original purchase date, purchase price and amount paid for documented capital improvements.
- ✓ **Energy Efficient Home Improvement** up to \$1,200 annual credit, equal to 30% of sum of qualified expenditures. Call our office to discuss.
- ✓ **Clean Vehicle** up to \$7,500 credit for new, qualified electric vehicles. Call our office to discuss.
- ✓ **Alimony Paid or Received** (for divorce decrees 2018 or prior)
- ✓ **Earned Income Tax Credit (EITC)** is available to low-income taxpayers who have earned income. The taxpayer's earned income, adjusted gross income (AGI), filing status (MFJ, HOH, QW or single (*MFS not eligible*)), and the number of qualifying children determines the maximum credit available. **Eligibility for the EITC must meet IRS due diligence requirements.** To claim the EITC, you must be able to prove eligibility. We will not prepare a claim for the Earned Income Tax Credit without due diligence attained.
- ✓ **Head of Household (HOH):** to claim HOH, you must be able to prove eligibility, which includes paying more than ½ cost of maintaining one's residence.

BUSINESS AND RENTALS

It is the taxpayer's responsibility to maintain and retain accurate records to provide substantiation for all income and expenses claimed on the return. Actual amounts paid and received must be provided; estimates are not allowed.

- Income (gross receipts, rent, and sales) in the form of cash, property, or services (1099-NECs, 1099-MISCs, and 1099-Ks received, as well as cash receipts, check deposits, bank register, invoices).
- PayPal, Venmo, eBay (1099-K) – review for accuracy; compare reported income to your sales register; list business related income vs fees vs personal transactions that weren't designated as friends & family.
- Expenses (ordinary and necessary expenses) - summarize by category; must be actual amounts paid; receipts and other supporting documentation to be maintained by the taxpayer or the deduction may be disallowed. (Provide copies of 1099-NECs issued and corresponding, filed 1096.)
- Purchases of equipment, furniture, machinery, property, vehicle (Provide an itemized list including receipts, purchase price, date purchased, and date placed in service.)
- Sale of property, equipment, furniture, vehicle, etc. (Provide an itemized list including receipts, date of sale, date item removed from service (if different), price sold for, original purchase price if not on your depreciation schedule.)
- Business use of home (square footage of home and office area) to qualify the area must be **exclusively and regularly used** for conducting business; a portion of expenses such as mortgage interest, insurance, utilities, repairs may be able to be deducted; depreciation rules apply.
- Entertainment and meal expenses: no deduction for entertainment.
- Business vehicle expenses – detailed reporting of business vs personal miles per vehicle is required; **reference your vehicle mileage logs** and provide a breakdown of total miles driven for the year vs miles driven for business purposes. If using the actual expense method, miles driven are still required and reported as well as receipts for all vehicle expenses itemized by vehicle.
- Recordkeeping and supporting documents for businesses and/or rental properties be maintained by the taxpayer. In the eyes of the IRS, "the burden of proof" is on the taxpayer. Sales slips, paid bills, mileage logs, registers, bank statements, month-end, and year-end reports (to name a few) provide substantiation of deductions.